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AMC bares product plan of early '90s

By Laura Clark and Dave Zola
AUTOMOTIVE NEWS STAFF REPORTERS

American Motors is eyeing two new vehicles for 1992 or thereabouts — an upscale compact passenger van and a small, entry-level Jeep to compete with imports from Japan.

The two new-vehicle proposals are part of a larger AMC-Renault five-year product plan to be sorted out by the companies in the next few months.

That plan also includes importing a four-wheel-drive Medallion in 1989, development of a Premier replacement in 1993-94 and a redesign of the XJ (Cherokee, Wagoneer, Comanche) line of Jeeps in 1989.

Still open to debate is whether to import a replacement for Alliance or abandon that small-car market segment.

Alliance is scheduled to be dropped after the 1988 model year.

The proposed small Jeep development program, code-named J-90, might even result in the construction of a new low-volume, technologically advanced North American assembly plant, James R. Murphy, AMC director of product planning told Automotive News.

AMC and Renault executives are trying to decide which new vehicle programs to pursue. They are also wrestling with the question of whether AMC or Renault should take the lead with large-car and van programs.

The two companies agree AMC has the resources and experience to handle all Jeep vehicle development, while Renault's expertise lies in small-car design.

But large-car and van programs fall into a gray area where neither firm rates as the obvious choice. Ideally, each company would like to do its own products to ensure the vehicles appeal to the home market. But AMC and Renault officials realize that isn't efficient, so it is imperative that they quickly make the decision on who does what.

AMC is counting on profits from the Premier — an intermediate going into production in Canada — and XJ models to fund future products, according to Murphy.

The J-90 utility vehicle could be available by the 1992 model year, according to an internal AMC product planning document obtained by Automotive News. The vehicle would be in the size class of the Suzuki Samurai and priced in the $6,000 to $7,000 range.

AMC said it is considering producing the J-90 in the United States if the program gets the go-ahead. New production techniques would allow the automaker to construct an assembly plant for a relatively small investment and build

see AMC, page 40

Bogus Bonus

Auto dealers stung on travel certificates

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Dozens of dealers from Minnesota to Georgia and from Colorado to New York have been stung for hundreds of thousands of dollars by vendors selling unredeemable travel-accommodation certificates for use in retail promotions.

More than a dozen such vendor-firms have been identified by consumer protection units in the attorneys general offices in Texas and Florida, where many of the travel certificate companies are located.

Authorities report a recent growth in the number of consumer complaints regarding unredeemable certificates, many of them tied to auto dealership promotions.

Officials from a number of states are investigating — and taking civil action against — companies that sell the certificates.

"The poor car dealer is the real sucker in these scams," said Kay O'Toole, consumer investigator in the Houston office of the Texas attorney general.

"They are taking a chance with their customer relations if they purchase these certificates," said O'Toole.

The dealer who falls prey to the bogus travel incentive promotions has much to lose.

He loses the $100 to $150 he paid for each

see TRAVEL, page 38

1st quarter output cuts seen for GM

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

General Motors, on the heels of production cuts in the last quarter of this year and first quarter of next, will have to cut early-1987 production even more or offer incentives to reduce its high car stocks.

Analysts say GM's announced January-March 1987 production cutback of 3.31 percent or about 40,000 units will not be enough to bring its production into line with the 100-plus days supply GM is expected to have in January. GM sales have been off about 25 percent for most of the 1987 model year, although overall sales have been near last year's pace.

FIRST QUARTER AUTO PRODUCTION
1987 forecast vs. 1986 actual

	1987	1986	% change
GM	1,122,851	1,161,300	– 3.31
Ford ...	505,000	446,505	+13.10
Chrysler	303,000	373,481	–18.87
AMC ...	9,500	12,553	–24.32
Honda .	87,789	45,114	+94.59
NUMMI	50,000	46,428	+ 7.69
Nissan .	37,632	21,517	+74.89
VW	27,200	21,169	+28.48
Industry	2,142,972	2,128,067	+ 0.70

"First quarter production will be significantly lower than what the makers are saying and most of the reduction will come from GM schedules," said John Hammond, auto analyst

see FORECAST, page 42

AUTOMOTIVE NEWS/JOE WILSSENS

Gentlemanly repect
In a joint appearance before the Economic Club of Detroit, GM Chairman Roger Smith, right, and ousted board member H. Ross Perot made no mention of their trouble. **Stories on Page 3.**

Japan's market to rise, but how far?

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Reflecting an uncertain economy and fluctuating yen, automotive analysts in Tokyo offer mixed outlooks for Japan's domestic vehicle market in the 1987 fiscal year and the remainder of the 1986 business year.

Depending on the analyst, bank or auto company making the forecast, sales projections for the next fiscal year (April 1987-March 1988) range from an increase of 0.1 percent to 2.8 percent. Forecasts for the 1986 business period (April 1986-March 1987) range from a gain of 1.3 percent to 3.0 percent.

The most bullish domestic sales forecast comes from Y. Kondo, senior analyst in the research department of Daiwa Securities Co., Tokyo. According to Kondo, sales of cars, trucks and buses in Japan for the 1986 business year will total 5.74 million units, an increase

see JAPAN, page 22

Porsche looks for new brand to sell in U.S.

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

RENO, Nev. — Porsche Cars North America is looking for foreign automakers who would like to sell their own-branded cars through Porsche's dealers.

Porsche is offering a network of 322 dealers help in obtaining federal certification, marketing services, plus engine and suspension technology, engineering and "refinement" services from West German parent company Porsche AG.

In return, Porsche would boost the potential profitability of its dealers by increasing their volume and flesh out its sports-car lineup with compatible vehicles without the risk or expense of developing them. It could also help Porsche establish dealers in small markets where an independent Porsche store could not survive.

"We want to be a full-service transportation company," John A. Cook, president of Porsche Cars North America, said in an interview with Automotive News.

"We are looking for one or more companies that can provide 20,000 to 70,000 vehicles a year that are compatible with Porsche's image and that complement our lineup,"

see PORSCHE, page 39

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Domestic stocks rise, imports cut supply — Page 6

EDS-GM: More lawsuits, explanations

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

To no one's surprise, the aftershocks of General Motors' $700 million buyout of ousted board member H. Ross Perot were still being felt last week.

Holders of GM's Class E shares filed two more lawsuits challenging the deal. The complaints echoed an earlier suit that contended GM was throwing away its money and undermining the value of Electronic Data Systems stock by paying twice the market value for Perot's 12 million shares.

Meanwhile, GM and EDS officials made gestures of unity in apparent attempts to put the controversy behind them.

In a joint appearance before the Economic Club of Detroit (Dec. 8), Perot and GM Chairman Roger Smith treated each other with gentlemanly respect. That no doubt surprised those among the record crowd of 7,124 who expected recent public sparring between the two to continue on the rostrum. Later in the week, EDS issued a statement reaffirming its role as an independent company committed to supporting GM.

While Perot's speech made no specific reference to GM, the former EDS chairman didn't shy from talking about his differences with GM at a news conference. He said he made his criticism public because, as the company's largest shareholder, he felt obligated to speak out for change.

There's something wrong when GM, with all its size and its resources, has become the domestic industry's high-cost producer and will make less money than Ford Motor Co. this year, Perot said.

"We're spending $3.6 billion a year on R&D," he said. "We ought to have a car that can ice skate."

Perot revealed that his plans to vote against executive bonuses caused a commotion on the GM board. Citing his "feed the troops first" belief, he said that special treatment for officers is uncalled for at a time when GM was closing plants and laying off workers.

Another "stress point," Perot said, was EDS's inability to get contracts signed for the services it provides GM, its largest customer.

EDS shareholders were promised the contracts when the two companies merged in 1984, Perot said. Because GM Class E stock dividends are based on EDS earnings, the lack of contracts hurt profits and also posed a "securities law problem," he said.

In the meantime, GM was pressing Perot to have its own auditors review EDS, said Perot. He said he agreed to the audit in exchange for a meeting before the board's fairness committee at the December board session to discuss the contracts.

But Perot wasn't allowed to come to that Dec. 1 meeting, he said. That's where the board voted on the buyout — an idea that Perot said he had proposed in June, but stressed at the time he thought would be unwise.

For his part, Smith told reporters that he still considered Perot a friend and that the troubles stemmed from their different approaches on how to get things done. History will someday say that the EDS purchase is working, he said. It will also prove the buyout to be "one of the best investments GM ever made."

Some shareholders apparently disagree. Two more lawsuits have been filed protesting the deal — one in New York Supreme Court and the other in Delaware chancery court.

In the New York suit, one of EDS's cofounders, Milledge A. Hart III, charged that the buyout was a waste of corporate assets and represented a breach of GM directors' fiduciary duty. In Delaware, five shareholders from New York and an Illinois company, Drexel Home Inc., sought, among other things, to rescind the buyout.

Those suits, and an earlier complaint filed in federal court in Detroit, are derivative suits, meaning they've been filed against the directors on behalf of the corporation. A GM spokesman said the company is still reviewing the suits and couldn't comment.

In the EDS statement, president and new chief executive Lester Alberthal Jr. said EDS intends to continue supporting GM while increasing business outside the automaker by 20 percent annually.

Those objectives were worked out with GM Executive Vice President Donald J. Atwood after the Dec. 1 buyout of Perot and three other EDS executives.

Bill would halt use of shareholders as 'pawns'

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Angered by General Motors' decision to pay $700 million in "hushmail" to Ross Perot, Senator Howard M. Metzenbaum, D-Ohio, will introduce a bill in the new Congress to "require that any deal offered to one shareholder will be offered to all."

Metzenbaum said the bill would prohibit what he calls "greenmail," which treats shareholders "as pawns in the battle for boardroom control."

Greenmail is "when corporate management buys off unwelcome investors or raiders at a substantial premium not available to the average investor," Metzenbaum said.

Although GM's payments to Perot are not technically "greenmail" — because Perot apparently was not interested in a takeover of GM — Metzenbaum said the decision by the GM board to buy out Perot's holdings amounted to the same thing because "Ross Perot is about to be paid $700 million in what he himself calls 'hushmail.' "

"I don't fault Perot for selling out for double the market value of his stock, but I seriously question the propriety of GM management using shareholders' money to get rid of him," the senator said.

"In fact, the rest of the shareholders often see the value of their investment eroded as the stock prices fall once the greenmail is paid," according to Metzenbaum.

The senator said, "Shareholders need to know they have a fair shot at success on Wall Street. If they see that they are pawns in the battle for boardroom control, they will abandon the market to the professionals and the institution of publicly owned corporations will crumble."

GM, Volvo sign pact for heavy truck company

DETROIT — General Motors Chairman Roger Smith and AB Volvo Chairman Pehr G. Gyllenhammar signed a agreement forming a joint venture effective Jan. 1, 1987, to develop, produce and market heavy-duty (Class 8) trucks for distribution in North America.

Volvo GM Heavy Truck Corp. will be headquartered in Greensboro, N.C., and Volvo GM Canada Heavy Truck Corp. in Toronto.

Volvo currently has 76 percent ownership, with GM still retaining the option to raise its stake from a current 24 percent to 35 percent.

The joint venture firms will now focus on electing boards ofdirectors and working out specifics, such as what products they will offer in the future.

GMC will continue to build and market its heavy trucks during 1987, with August 1988 as the current phaseout target for manufacturing which will be moved to Volvo's three U.S. plants.

Gyllenhammar, left, and Smith sign to form Volvo GM Heavy Truck Corp.

Olds follows lead, realigns field, opens up dealer communication

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

LANSING, Mich. — Oldsmobile Division will restructure its field sales and service operations beginning early next year, cutting the number of zones from 27 to 19 by fall and opening a computer dealer assistance center.

Oldsmobile's moves are similar to those that have taken place at the other General Motors divisions in recent months. The revampings are designed to put the divisions closer to the dealers and marketplace as well as to reduce the employee headcount. GM plans to cut its salaried workforce 25 percent by 1989.

Oldsmobile said its restructuring will enable the division to strengthen support to its 3,300 dealers and to increase regional marketing efforts.

Oldsmobile General Sales and Service Manager David E. Lahti said greater efficiency and sales effectiveness will be gained by having larger, more completely staffed zone offices.

Oldsmobile already has closed two zone offices. The Buffalo and Omaha zones are now being consolidated into other zones.

The Oklahoma City, Cleveland, Indianapolis, Houston, Milwaukee and Portland, Ore., zone offices will halt operations by the end of August.

Operations of the Atlanta and Los Angeles regions will be merged with those in Tarrytown, N.Y., Detroit, Chicago and Dallas.

Dealers in the Portland zone will be served by the San Francisco office. Dealers in the Oklahoma City zone will be transferred to the Dallas zone.

Activities in the Cleveland zone will be split among the Pittsburgh or Detroit zones. Milwaukee dealers will be served by either the Chicago, Minneapolis or Kansas City zones. Houston dealer activities will be transferred to the Dallas zone. Operations from the Indianapolis zone will be assigned to either the Cincinnati, St. Louis or Detroit zone offices.

Lahti said the boundaries of the new zones are based on the market size and dealer needs.

Field support staff will be boosted by district managers for sales and district managers for service working as teams, Lahti said.

Larger dealers will receive attention from the division more in line with the volumes they sell. Smaller dealers, who received little or no contact from the division in the past, also will receive more attention under the new system, Oldsmobile said. The division will establish a dealer assistance center in Lansing, Mich., to provide more frequent contact — by telephone — with smaller dealers.

The center will provide quicker responses to dealer questions, Lahti said.

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GM to replace tires on some models

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — General Motors has told dealers it will replace up to two tires free on selected vehicles because of excessive tread wear.

Although GM has not publicized the program, dealer bulletins obtained by the Washington-based Center for Auto Safety show GM is offering the free tires on 1985 Buick LeSabre and Riviera and 1985 and 1986 Century, Regal and LeSabre and Electra Estate Wagon. Replacement is offered only for models equipped with all-season radials on non-driving wheels during the first 12 months or 12,000 miles.

A similar free-tire-replacement program is in place for Cadillac's 1985 and 1986 Fleetwood Brougham and 1985 Eldorado and Seville; GMC's and Chevrolet's 1985-1986 M and G vans, C/K trucks and S/T trucks; and Chevrolet's 1985 and 1986 Caprice and Monte Carlo, according to GM service bulletins.

A Washington spokesman for GM said the fix was offered after GM found its original-equipment all-season tires, "extremely sensitive to misalignment."

The spokesman said "fewer than 50,000 tires have been replaced." He said GM told dealers about the problem in February, changed factory alignments, then began the replacement program in May.

Tires covered by the program include the Uniroyal Tiger Paw Plus, Goodyear Vector, Firestone Supreme, General Ameriway X7 and Michelin XZ4, GM said.

The problem was brought to the attention of the Center for Auto Safety by Maine Attorney General James E. Tierney. Tierney told the center in a letter dated Oct. 23, 1986, that a tire dealer in Portland, Maine, "which is the outlet for the tires used on General Motors cars, states it is receiving approximately 20 complaints a week concerning tire wear on front-wheel-drive GM cars."

The attorney general added, "Apparently, the tire warrantor will replace the tires, giving the consumer a discount based on the amount of tread lost due to the General Motors defect. However, consumers are sometimes being charged for the rebalancing and realignment."

INVENTORIES

Domestic stockpile rises, imports cut supply

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Stocks of new domestic cars in November continued to climb as they have since widespread incentives were dropped early in October.

For certain domestic models, stocks soared as sales tumbled dramatically.

By comparison, stronger sales of imported cars forced their days' supplies down slightly.

On Dec. 1, the days' supply of domestic cars was 71, up from 60 days on Nov. 1.

The ideal days' supply for domestic models is generally considered to be no more than 60 days.

As December opened, there were 1,531,295 new domestic cars in inventory at assembly plants, dealerships and in transit to dealerships. A month earlier, 1,412,637 cars were stockpiled.

Inventory levels climbed at all domestic manufacturers with the exceptions of Honda and Volkswagen.

American Motors had a 120-day supply on Dec. 1, up from 69 days a month earlier; General Motors stocks climbed to 84 days, up from 68; Chrysler Motors stocks rose to 75 days, up from 54; Ford Motor Co. stocks inched up from 56 days to 58; and Nissan domestic stocks climbed from 46 to 56 days.

Volkswagen supplies fell from 93 to 86 days and Honda stocks slipped from 11 to 5.

Two domestic car lines and 24 models reported stockpiles representing more than 100 days' worth of sales.

Renault had a 133 day supply at the start of December and Buick was stocked with a 102 days' worth.

GM had 15 models with supplies of more than 100 days; Chrysler had seven; AMC had one (Renault Alliance) and Ford had one (the discontinued Mercury Capri).

Companies shared the Dec. 1 domestic inventory as follows: GM, 58.45 percent; Ford, 23.12 percent; Chrysler, 14.60 percent; AMC, 1.26 percent; VW, 1.14 percent; Nissan, 1.05 percent; and Honda, 0.38 percent.

A month earlier, shares were: GM, 58.38 percent; Ford, 22.83 percent; Chrysler, 14.54 percent; AMC, 1.36 percent; VW, 1.30 percent; Nissan, 0.80 percent; and Honda, 0.79 percent.

Shares by market class on Dec. 1 were: intermediate, 33.31 percent; compact, 23.02 percent; subcompact, 19.37 percent; standard, 13.56 percent; and luxury, 10.74 percent.

Shares on Nov. 1 were: intermediate, 33.78 percent; compact, 22.16 percent; subcompact, 19.01 percent; standard, 13.41 percent; and luxury, 11.64 percent.

Although the number of imported cars in stock increased slightly in November, the days' supply fell from 42 days on Nov. 1 to 41 days on Dec. 1. One year earlier, the days' supply was 31.

December opened with an inventory of 455,303 cars, up from 425,608 on Nov. 1.

On Dec. 1, 1985, import cars numbered 304,079.

The number of new imported trucks on hand also rose while the days' supply fell — again due to an increased sales rate.

The number of new imported trucks in stock as December opened totaled 194,033, up from 186,825 on Nov. 1 and 103,138 on Dec. 1, 1985.

Truck inventories represented a 56-day supply on Dec. 1, down from 69 a month earlier and 41 a year earlier.

The combined car and truck stockpile on Dec. 1 totaled 649,336 vehicles, 6.03 percent above the 612,433 on Nov. 1 and 60.24 percent above the Dec. 1, 1985 total of 405,217 units.

Days' supply for cars and trucks combined was 45 on Dec. 1, compared with 48 a month earlier and 33 a year earlier.

On Dec. 1, import-car inventories were divided this way: Japan, 70.58 percent; West Germany, 18.47 percent; and other countries, 10.95 percent.

One month earlier, import-car inventories were divided: Japan, 71.40 percent; West Germany, 18.17 percent; and other countries, 10.43 percent.

Import inventory figures include dealer and port stocks and vehicles in transit.

By country of origin, the days-supply figures for imported cars were: Japan — Honda (imports only), 5; Toyota, 16; Acura, 25; Mazda, 45; Subaru, 50; Isuzu, 56; Nissan, 65; Mitsubishi, 81; Chrysler Motors, 113; and Chevrolet, 133 (including 124 for the Isuzu-built Spectrum and 148 for the Suzuki-built Sprint).

West Germany — Mercedes-Benz, 27; Porsche, 41; BMW, 57; Volkswagen (imports only), 91; Audi, 120; and Merkur, 163.

Other countries — Jaguar, 22; Hyundai, 23; Alfa Romeo, 34; Saab, 35; Yugo, 36; Volvo, 48; Peugeot, 62; and Renault (imports only), 92.

Days' supplies of light trucks were: Suzuki, 25; Toyota, 36; Mazda, 47; Chrysler imports, 55; Mitsubishi, 64; Isuzu, 88; and Nissan, 97. Nissan's domestic built models are included in the total.

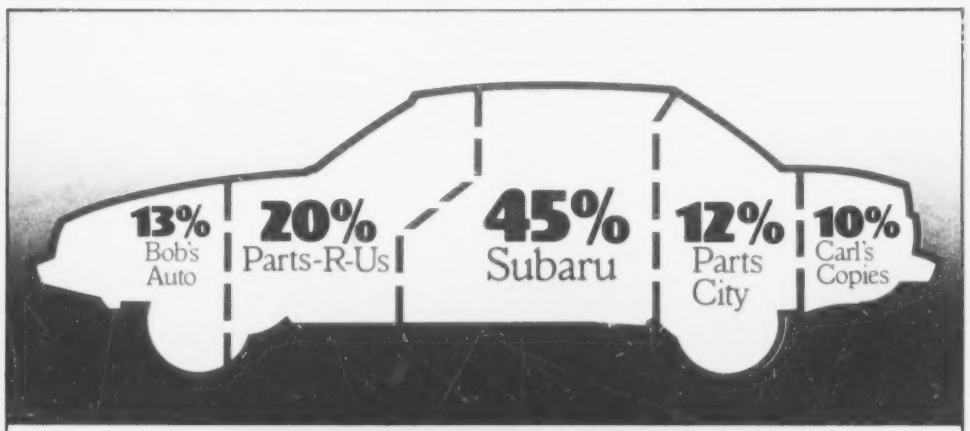
IMPORT DAYS' SUPPLIES

	Dec. 1, 1986	Nov. 1, 1986	Dec. 1, 1985
Spectrum	124	85	131
Sprint	148	122	64
Chevrolet	133	95	96
Chrysler Corp.	113	112	67
Acura	25	31	0
Honda	5	13	6
Isuzu	56	79	101
Mazda	45	48	18
Mitsubishi	81	104	32
Nissan	65	54	26
Subaru	50	40	17
Toyota	16	22	11
JAPAN	39	42	24
Audi	120	77	62
BMW	57	51	68
Mercedes-Benz	27	16	24
Merkur	163	108	139
Porsche	41	37	52
VW	91	89	71
GERMANY	66	56	59
Alfa Romeo	34	42	62
Hyundai	23	22	0
Jaguar	22	18	16
Peugeot	62	61	90
Renault	92	57	221
Saab	35	35	37
Volvo	48	35	54
Yugo	36	41	14
Other Countries	33	30	51
Total Import Cars	41	42	31
Isuzu	88	119	103
Mazda	47	42	21
Mitsubishi	64	118	32
Nissan*	97	130	55
Suzuki	25	19	0
Toyota	36	46	23
Chrysler	55	81	66
Total Import Trucks	56	69	41
Total Imp. Vehicles	45	48	33

*Includes domestic trucks.

DOMESTIC DAYS' SUPPLIES

	Dec. 1, 1986	Nov. 1, 1986	Dec. 1, 1985
Alliance	133	74	108
Encore	0	65	244
Total Renault	133	72	137
Eagle	51	58	122
Total AMC	51	58	122
AMERICAN MOTORS	120	69	135
Horizon	49	49	83
Sundance	57	85	0
Turismo	199	71	92
Reliant	78	55	79
Caravelle	60	40	72
Plymouth	103	80	80
Total Plymouth	70	56	81
Laser	189	99	134
LeBaron K	52	33	91
LeBarron GTS	115	47	82
Fifth Avenue	106	67	34
New Yorker	92	49	73
Total Chrysler	95	52	76
Omni	51	48	89
Shadow	44	64	0
Charger	172	55	91
Daytona	145	49	98
Aries	60	65	85
Lancer	133	54	99
Diplomat	86	53	64
Dodge 600	61	44	90
Total Dodge	68	55	89
CHRYSLER MOTORS	75	54	82
EXP	0	0	164
Escort	62	58	36
Mustang	60	48	68
Tempo	76	62	47
Taurus	52	59	0
Thunderbird	62	68	93
LTD	0	0	110
Crown Victoria	59	68	72
Total Ford Division	61	60	58
Lynx	81	60	54
Topaz	74	67	45
Sable	50	54	0
Cougar XR-7	82	30	100
Capri	133	69	127
Marquis	0	0	108
Grand Marquis	45	51	65
Total Mercury	59	54	75
Continental	37	46	59
Lincoln	39	38	41
Mark VII	52	64	58
Total Lincoln	41	42	45
Total L-M Division	53	49	65
FORD MOTOR CO.	58	56	60
Skyhawk	158	69	111
Skylark	0	0	5
Somerset Regal	163	73	136
Century	78	34	107
Regal	136	57	154
LeSabre	103	82	82
Electra	67	57	137
Riviera	85	60	57
Total Buick	102	58	115
Cimarron	108	71	108
Seville	51	61	65
Cadillac	66	63	81
Eldorado	89	59	53
Total Cadillac	68	63	76
Chevette	63	73	59
Nova	146	87	115
Cavalier	113	97	83
Citation	0	0	102
Camaro	143	108	85
Celebrity	62	66	61
Corsica/Beretta	23	24	0
Monte Carlo	114	85	90
Chevrolet	81	81	100
Corvette	89	84	115
Total Chevrolet	88	82	82
Firenza	146	107	110
Calais	76	77	87
Cutlass Ciera	58	40	68
Cutlass Supreme	92	71	104
Olds 88	61	57	59
Olds 98	67	76	67
Toronado	62	66	61
Total Oldsmobile	72	59	77
Fiero	174	129	133
1000	174	141	109
Sunbird	133	106	86
Firebird	114	97	66
Grand Am	43	43	32
6000	66	48	75
Bonn./Gr. Prix	132	85	125
Grand Prix	0	0	148
Parisienne/Bonn.	79	82	126
Total Pontiac	82	70	81
GENERAL MOTORS	84	66	86
VOLKSWAGEN	86	93	77
HONDA	5	11	8
NISSAN	56	46	18
DOMESTIC TOTAL	71	60	77
Subcompact	59	55	63
Compact	94	74	77
Intermediate	68	55	65
Standard	72	68	83
Luxury	66	59	73



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TRUCK INDUSTRY

Incentives call the tune in November

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

While General Motors and Ford Motor Co. concentrated on improving the per-unit profitability of the trucks they sell, Chrysler Motors and the imports began eating their competitors' lunches in November.

GM and Ford decided not to match Chrysler's low-interest financing programs, for example. They kicked off Nov. 21 with some telling effects on market shares.

An analysis of November light truck sales shows that Ford's share of the light-truck market dropped to 26.5 percent from 30.5 percent in like 1985, while Chevrolet's share dropped to 22.9 percent from 28.0 percent in like 1985.

GMC and Jeep also saw their market shares erode an identical 1.0 percentage point. Each captured 5.7 percent of the light truck market in November, compared to the 6.7 percent share each held in the like year-ago month.

Chrysler's share, meanwhile, increased to 16.4 percent from 10.9 percent a year earlier; the imports captured 22.9 percent of the light truck market compared to 17.2 percent last year.

A significant part of Chrysler's gains, of course, are due to new truck lines — the Dakota and Raider — which it began offering in the 1987 model year. But there's no discounting the impact of its low-interest financing programs which run through Jan. 20.

Meanwhile, the overall light-truck market softened slightly in November, with industrywide sales down 6.3 percent from last year's record-setting pace.

Light-duty truck manufacturers retailed 318,420 units in November compared to 339,766 in like 1985.

Industrywide light-truck sales of 4,187,197 for the first 11 months of calendar 1986, however, maintained a strong lead over last year's 4,039,101 for the comparable period, guaranteeing another calendar-year record in 1986.

Chrysler's November light-truck sales of 52,368 units were up 41.2 percent from a year ago.

The imports retailed 72,872 trucks, up 24.4 percent from November 1985.

All other manufacturers, including Jeep which previously had a long string of sales records. were off in the month.

Ford's sales of 83,815 light trucks in November were off 19.1 percent from a year earlier.

Eleven-month Ford light-truck sales of 1,208,096 were up 8.1 percent over like 1985.

Ford chalked up sales gains in its medium and heavy trucks during November, bringing its total monthly truck sales to 88,483, off 18.2 percent from like 1985.

Year-to-date, it retailed a total of 1,258,750 trucks, up 7.2 percent from last year.

Chevrolet retailed 73,017 light trucks in November, off 23.1 percent from last year.

Year-to-date, it retailed 1,135,435 light trucks, off from 1,174,217.

Chevrolet retailed a total of 74,176 trucks in November, off from 96,712 last year. Year-to-date, it retailed a total of 1,152,098 trucks, off from 1,193,547 last year.

Heady '87 forecast from GMC

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

GMC's 1987 model new-truck lineup closely resembles Chevrolet's, and GMC officials are predicting record sales for the 1987 calendar year.

GMC's sales projections, though, are beginning to look overly optimistic, particularly in view of its sales falloff in November.

John D. Rock, manager of GMC Truck & Coach, said he is looking for record industry sales of 4.9 million truck sales in calendar 1986 which would top the 4,758,530 sold in calendar 1985.

He anticipates more than 4.6 million light-duty truck sales industrywide, up from 4,470,641 in calendar 1985; 155,000 medium-duty sales, up from 152,113 in 1985; and 115,000 Class 8 heavy-duty trucks, off from 135,776 in 1985.

GMC's S-15 Club Coupe Pickup

He also predicted GMC will sell a record 362,000 trucks in the 1987 model year, topping the 353,286 sold in 1986.

Rock pointed to the division's record-breaking sales momentum, a strong product line that will be augmented by new full-sized pickups in spring, revitalized dealer organization and firm base of customer support to help it achieve its ambitious target.

Aside from record light-truck sales in model year 1986, GMC dealers sold over 32,000 medium duties, their best showing in a dozen years, Rock said.

He anticipates a similar medium-duty performance in the 1987 model year.

Strengthening GMC's confidence is another large order recently placed by Ryder Truck Rental. Production of about 5,000 Ryder medium-duties began in December at Pontiac. Another 1,200 medium duties will be built for Hertz-Penske, beginning in January.

GMC's light-duty trucks have the same engineering improvements as Chevrolet for 1987.

That includes electronic fuel injection in virtually all trucks up to 10,000 pounds, a new serpentine single belt accessory drive system and other performance improvements.

The 2.5-liter engine's output went from 92 to 98 hp, for example. The 4.3 liter V-6, with its new closed loop fuel injection and roller tappet camshaft, offers 160 hp, and ratings on the 5.0 liter increased from 160 to 170 hp.

The 5.7-liter engine is rated at 210 hp for most applications, up from 165 hp in the 1986 model year. It has 300 foot-pounds of torque at 2,800 rpm.

The 7.4-liter V-8 provides 230 hp at 3,600 rpm and 385 foot-pounds of torque at 1,600 rpm.

GMC's S-15 models feature several new interior treatments in uplevel trims. For example, color-keyed floor mats and sporty leather trim bucket seats are options for extended cab S-15 pickups and S-Jimmy models.

A new "Timberline" version of Jimmy will become available later in the model year. It is comparable to Chevrolet's "High Country" package on Blazer.

It features special paint, blending from black to gold, gold aluminum wheels and unique interior seats.

The compact Safari van, competing in a segment that accounted for more than 600,000 sales in the 1986 model year, also gets a new "Touring Package," tailored to style, comfort and appearance.

Outside, it has a unique two-tone paint scheme. Inside, it has upscale trim and front bucket seats that are wider and more plush than those previously available, and are closer to what a customizer might offer.

The back seats also offer a split bench seat option, with a center console. The rear seats have an adjustable full-width headrest and reclining back.

A seating configuration with four buckets will also be available in the Safari Touring Package, slated to debut in January.

A new trailering package increases Safari's towing capacity to 6,000 pounds.

The van also features a new roof luggage rack finished in satin black with adjustable tie-down bars and rubber roof protector strips.

A new sporty air dam and fog lamp package with improved aerodynamics will be available later in the year.

A new four-spoke steering wheel is available in several configurations — base vinyl wheel, soft custom wheel and sporty luxury wheel.

A new four-speed transmission is available for Safari cargo vans with the base four-cylinder engine. It provides quieter operation and smoother shifting.

The full-sized Rally passenger vans, Vandura cargo vans, full-sized pickups and Suburban are largely unchanged from last year.

The 6.2-liter diesel is available for Jimmy applications in all states except California.

GMC has also complemented its W4 Forward medium-duty imported truck with a higher GVW model. The Forward is available in 11,000 pounds GVW and, for 1987, with a 13,250-pound rating in all states except California.

Other standard features added for 1987 include radial tires and a newly designed grille.

The bigger W7 Forward is available with GVW ratings up to 33,000 pounds.

For 1987, there's a special tractor model in the W7HV series, the "heavy version" of the GMC Forward Line. It features a 60,000-pound gross combined vehicle weight rating for tractor-trailer applications.

New for 1987 is the availability of the 8.2-liter Detroit Diesel in naturally aspirated and turbocharged versions of GMC's medium duty Top Kick series.

U.S. post office order is high for Volvo White

GREENSBORO, N.C. — As part of its continuing efforts to expand and modernize its heavy-duty truck fleet, the U.S. post office has ordered 497 White Xpeditor low cabover tractors from Volvo White Truck Corp.

The order includes 348 single axle tractors and 149 tandem axle units. Cost of the trucks exceeds $20 million.

The order, single largest dealer order ever received by Volvo White, was placed with Weber White Trucks, a Volvo White dealer in Washington, D.C.

Weber White submitted bids for both the single and tandem axle groups, based on Post Office specifications for performance, durability and operating economy.

The Xpeditors will be used primarily to haul mail and parcel post between Post Office facilities within major metropolitan areas around the country.

MAJOR MANUFACTURERS BY SEGMENT

	November		Year-to-Date	
	1986	1985	1986	1985
Light-Duty	83,815	103,576	1,208,096	1,118,004
Medium-Duty	3,714	3,617	39,262	42,079
Heavy-Duty	954	934	11,392	13,984
Ford Total	**88,483**	**108,127**	**1,258,750**	**1,174,067**
Light-Duty	73,017	95,004	1,135,435	1,174,217
Medium-Duty	1,159	1,708	16,663	19,330
Chevrolet Total	**74,176**	**96,712**	**1,152,098**	**1,193,547**
Light-Duty	18,275	22,681	280,452	287,197
Medium-Duty	1,854	1,461	28,304	28,570
Heavy-Duty	437	759	6,661	10,036
GMC Total	**20,566**	**24,901**	**315,417**	**323,803**

Light-Duty November, Year-to-Date Sales

	November		Year-to-Date	
	1986	1985	1986	1985
Vans	12,703	13,453	161,681	169,457
Aerostar	12,408	8,481	134,907	22,408
Club Wagon	2,201	2,442	24,428	29,449
Ranger	15,303	24,882	248,001	227,528
Bronco	3,918	4,839	44,310	47,663
Bronco II	7,712	12,493	93,449	97,675
Pickups	29,570	36,986	501,320	523,824
Ford	**83,815**	**103,576**	**1,208,096**	**1,118,004**
Vans	7,826	10,814	126,504	139,338
Sportsvan	853	1,275	14,575	19,455
Astro	11,283	9,257	133,274	95,701
S-10	10,906	16,361	188,467	195,620
S-10 Blazer	9,172	19,554	147,696	170,742
El Camino	1,117	1,760	19,988	19,231
Blazer	2,359	4,068	38,791	41,866
Suburban	3,888	4,422	56,050	53,842
Pickups	25,613	27,493	410,090	438,422
Chevrolet	**73,017**	**95,004**	**1,135,435**	**1,174,217**
Vans	4,184	3,749	67,295	59,123
Ram Wagon	2,143	2,389	35,961	37,047
Voyager	8,573	7,277	98,353	96,783
Caravan	9,179	7,504	104,331	102,919
Mini Ram Van	965	1,015	13,427	21,028
Ram 50	8,941	5,458	71,075	64,585
Raider	1,162	0	3,467	0
Ramcharger	1,298	977	21,161	27,949
Dakota	8,275	0	18,166	0
Pickups	7,648	8,726	96,739	151,023
Chrysler	**52,368**	**37,087**	**530,875**	**566,457**
Vans	2,243	2,544	35,820	37,272
Safari	2,186	1,894	27,632	22,486
S-15	2,120	3,711	42,730	43,926
S-15 Jimmy	2,154	4,326	35,918	38,776
Jimmy	732	941	8,519	8,149
Caballero	109	294	2,377	2,355
Suburban	1,435	1,276	17,962	16,468
Pickups	6,868	7,597	104,330	111,557
P Model	308	277	4,011	6,137
W-4	118	11	1,153	11
GMC	**18,275**	**22,681**	**280,452**	**287,197**
Wrangler/CJ	2,530	3,466	31,275	35,440
Wagoneer	1,508	1,698	11,464	12,325
Cherokee	9,504	12,867	96,708	88,924
Grand Wagoneer	1,883	1,419	14,945	15,595
Comanche	2,555	3,205	30,358	6,671
J-10/J-20	93	179	1,415	1,791
Jeep	**18,073**	**22,834**	**186,165**	**160,746**
Toyota	29,965	26,510	348,992	297,946
Nissan	15,425	13,749	203,176	240,051
Mazda	11,084	8,690	142,385	105,339
Isuzu	7,857	5,564	79,371	70,172
Mitsubishi	4,533	3,022	31,213	24,833
Suzuki	4,208	1,039	40,937	1,039
Imports	**72,872**	**58,574**	**846,074**	**739,480**
Industry Total	**318,420**	**339,766**	**4,187,197**	**4,039,101**

*Nissan includes domestically-built units in Tennessee.

SERVICE MANAGEMENT

How dealers sell service for winter

SHOP TALK

ARTHUR FLAX

Automotive News recently surveyed dealers to find out how they encourage customers to return for winter car preparation. Their methods ranged from those shops which rely solely on their reputations to those that use computerized mailing systems.

One of the respondents, Delaware Oldsmobile-Volvo-Saab, Wilmington, Del. has a particularly advanced computerized service system, according to Steve Gerkens, service director.

The 46-year-old dealership has in its service data base the names of its 20,000 Oldsmobile customers and 4,000 import-car customers. The computer is programmed to suggest maintenance procedures to customers, via postcard, based on the time and mileage interval since their last service visit.

The seasons also play a part in the type of service suggested. For example, cooling system service is automatically offered in the fall, air conditioning service in the spring.

The computer system at Delaware Olds has been in place since 1979 and has been continually updated.

Gerkens said he has watched the dealership switch from handwritten repair orders to computer-written tickets that tie into the computer's accounting system.

Not all of the updating went smoothly. He said an effort to program the computer to dispatch technicians to vehicles failed quickly.

Saab training

ORANGE, Conn. — Saab-Scania of America will open three more training centers in the United States to offer more accessible training to its dealers.

Until the first satellite training center recently opened in Dallas, Saab's training schools were in its regional offices. Similar satellite training centers are slated for Boston, Baltimore and for the New Haven area. This last center will replace a Saab training facility in West Haven, Conn.

Saab's other traditional training centers are in Schiller Park, Ill.; Torrance, Calif.; and Atlanta.

The new sites will give dealers in almost every major metropolitan area easy transportation to a Saab training center, field school or temporary vocational school facility, a spokesman said.

Chevrolet technicians

A number of auto manufacturers — most notably General Motors, Saab and Volvo — hold contests to

see SHOP TALK, page 20

Ideal design? No, compromise

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

The perfectly serviceable vehicle probably would have an engine bay large enough to fit a piano. All of the components and accessories — oil filter, alternator, spark plugs and such — would be neatly laid out and easily accessible.

The perfectly serviceable vehicle, however, is not practical. Engine and component space, cost and ease of assembly are just some of the trade-offs engineers must balance with serviceability when designing vehicles.

Service engineers work with design engineers from the start of a product's development cycle to minimize the trade-offs.

"There is a general contest for space, what goes where, ease of assembly and serviceability," said Donald R. Morgan, Ford Parts and Service Division supervisor of advanced service engineering.

"In assembly, sometimes it is easier to put large parts on the engine before it goes into the car. We hope they don't put something on that we can't reach without removing the engine. Sometimes we get surprised, but if we can see it on paper, it is easier to change than in hard metal."

A Ford engine project generally starts six years before introduction, according to Morgan. Vehicle design usually starts four years before introduction.

"We start when we see a new engine coming," Morgan said. "We list the serviceability requirements and also the service wants."

That list, he said, is some 10 pages long. A requirement might be that the water pump can be removed without removing the engine. A want might be for an oil filter that can be changed from above the engine.

Chrysler Motors engineers also design serviceability into a product from the start of the design cycle — about four years for a new engine and three to four years for a vehicle — according to Ray Bollman, manager of serviceability and technical service liasion.

Bollman said, "At Chrysler, serviceability is defined by certain statements in the product plan during the concept stage. In every case they address the cost of car ownership."

Automobiles, said Bollman, must be serviceable to the dealership mechanic, the independent shop mechanic and the do-it-yourself customer.

Service features that meet these goals, said Bollman, are designed in at the concept stage and "protected" from deviations through the development stage.

Service engineers meet with vehicle design engineers throughout the development stages of a project.

Chrysler rates its serviceability features on a one, two or three priority level. A level one priority is a must-have, and Bollman said he has never lost on a top priority request. Level two reflects a moderate need for a service feature, and level three is a "nice to have" feature, he said.

A cost trade-off, said Bollman, is never a consideration for a high-priority item. For example, he said, Chrysler would never "hide" an oil filter.

Although there is an occasional need for special tools which only work in certain situations, they are avoided if possible, according to the service engineers.

New types of fasteners may, however, replace traditional designs when they offer assembly or appearance advantages. For example, the "Torx" head screw developed by the Camcar Division of Textron, which features a star shaped indentation for a tool, is proving popular.

Designing a car to be serviceable is easier with a clean sheet of paper, but sometimes engineers have to make do with what is available.

Inside Chrysler's design center: Ray Bollman and the new V-6 in a minivan buck

Providing easily serviceable V-6 engine installations in both Ford and Chrysler minivans proved to be a challenge, according to Bollman and Morgan.

Chrysler recently adapted a Mitsubishi V-6 for 1987½ minivans. A little more engine compartment room would have made the job easier, Bollman said.

"On the Aerostar," Morgan said, "we should have left another inch or so of room. When this happens, we understand and quantify the situation and say we will never do it again. If we could do the Aerostar with a clean sheet, we would leave more room."

Auto companies test serviceabilty and access to components on design bucks, mock-ups of front-end sheetmetal and engine compartments.

Ford has three design rooms in which are numerous configurations of new-model front-ends.

Engines are placed in the bucks to see how they fit. When completed engines aren't available, engine blocks and mock-up parts are placed in the buck.

Morgan said 1988 models are in the final service design stage, 1989s are being studied carefully and 1990 bucks have engine blocks placed in a plastic model of the front end.

"After the sheet metal is available, we will replace the plastic, and when a metal manifold replaces the wood, we will use that," Morgan said.

Chrysler engineers follow a similar time schedule and practice, Bollman indicated.

Manufacturers are placing greater emphasis on engine compartment appearance than they have in the past. Ford highlights major service locations such as oil and other fluid locations with yellow markers.

"Five or 10 years ago there was spaghetti under the hood," Morgan said. "Now it is pretty good."

Although an organized engine compartment is less intimidating to the mechanic, it does not ensure serviceability. Component covers, for example, often improve appearance because they are made of an aluminum alloy, but they also take up space and make parts less accessible, according to Morgan.

At Chrysler, an "under hood committee" meets every two weeks to clean up appearances. The committee routes such items as hoses, cables and wires to improve serviceability.

Service business surge continued in October

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts business at new-car dealerships continued in October to outpace the year-earlier level, as it has this year in all but February.

However, the increase in October was significantly less than in September.

SERVICE INDEX
105.7★

	October, '86 vs. October, '85	10 mos., '86 vs. 10 mos., '85
Gross Profit on All Labor and P&A Sales	+8.7%	+7.5%
Repair Orders Written	−2.9%	+0.5%
Total Labor Sales (Customer & Warranty)	+8.1%	+9.2%
Shop Parts Sales (Customer & Warranty)	+ 9.3%	+7.2%
Sales of All P&A	+ 5.5%	+4.0%

★—Survey by Automotive News shows that dealers' service and parts business in October, 1986, was 105.7 percent of business in October, 1985. Service business in the first 10 months of 1986 was 105.7 percent of business in the corresponding period in 1985.

Service volume for the first 10 months of 1986 also outpaced the volume during the corresponding 1985 period.

The Automotive News Service Index shows shop business at dealerships in October amounted to 105.7 percent of the volume recorded in October 1985. Shop business in September amounted to 111.4 percent of the volume in September 1985.

October was the eighth straight month in which service volume topped that of the year-ago month.

The year's largest increase occurred in June, when the service volume amounted to 114.3 percent of the volume recorded in June 1985.

In February, service volume amounted to 99.6 percent of that in February 1985.

In the first 10 months of 1986, service volume was 105.7 percent of that in the same 1985 period.

Dealers and service managers tied the increases in service volume to the strong, incentive-induced domestic car sales in September and early October. Sales of domestic cars, however, fell in late October and that may have accounted for the less impressive service volume of October, compared with September.

Industry experts say new-car customers often bring in their old cars for repairs before selling them. Also, a rush in new-car sales often results in a later wave of customers who return for warranty work.

In October, dealers also reported that winter car preparation service increased business.

A northeastern Chrysler-Plymouth-Dodge and AMC-Jeep-Renault dealer said service volume increased due to large-car sales in September.

A midwestern Ford dealer also tied service volume increases to incentive-stimulated car sales.

A northeastern Saab dealer said service increased in October due to "winterization" programs.

A western Cadillac dealer said body shop sales were up sharply. Also, the dealer said October is a "long service month" and his shop was open 23 days.

An eastern Oldsmobile dealer said "a loss of service technicians and poor sales months in July and August" contributed to an October decline.

In October, shop parts sales (customer paid and warranty) showed the largest gain of all indicators, up 9.3 percent.

Gross profit on all labor, parts and accessories sales climbed 8.7 percent; total labor sales (customer paid and warranty) were up 8.1 percent; and sales of all parts and accessories were up 5.5 percent.

Repair orders written were down 2.9 percent.

In addition, parts and accessories sales to off-premises customers were up 3.0 percent in October.

Total labor sales registered the biggest gain in the first 10 months of 1986, climbing 9.2 percent over the 1985 period. Gross profit on labor, parts and accessories sales rose 7.5 percent through October; shop parts sales increased 7.2 percent; sales of all parts and accessories climbed 4.0 percent; and repair orders written edged up 0.5 percent.

Parts and accessories sales to off-premises customers were up 1.4 percent through October 1986.

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N.C. dealer sues Toyota, distributor over supply

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A North Carolina dealer is suing Toyota Motor Sales U.S.A. and its distributor, Southeast Toyota (SET), for $30 million over new vehicle allocation practices based on a "turn to earn" system.

The lawsuit filed by Rice's Toyota World of Greensboro, N.C., charges that Toyota and SET used the system to deny the dealership vehicles and cites a 1983 state law it says was designed to stop turn to earn practices.

According to the complaint, SET implemented in 1982 "a 100 percent turn to earn allocation system...based on the dealer's daily sales performance averaged over the preceding 30 days.

"The turn to earn system was subsequently modified; however, its primary thrust remained the same — the dealer had to sell a car to earn a car."

A spokesman for Toyota Motor Sales declined comment on the suit, while an attorney handling the case for SET said, "It is our policy never to comment on pending litigation. We will respond in court."

While the 1983 state law makes no specific reference to turn to earn, Donald Stickland, an attorney representing the dealership's owner, Garson Rice, said, he believes eliminating turn to earn "was the intent of the statute."

The law prohibits manufacturers from delaying, refusing or failing to deliver motor vehicles "in reasonable quantities relative to the new motor vehicle dealer's facilities and sales potential in the...dealer's relevant market area and within a reasonable time, after receipt of an order from a dealer."

The law also said that if one dealer's order is filled before a previously ordered identical car from another dealer, it is "evidence of a delayed delivery or refusal to deliver."

A clause in Rice's franchise agreement, which was entered as evidence, said his allocation would be based on sales if there is a shortage of vehicles caused by factors beyond the distributor's or manufacturer's control.

Rice's agreement states, "where such shortage is expected to exist for a significant period, it is understood and agreed that such vehicles will be allocated by distributor to dealer principally on the basis of sales performance during the most recent representative period of adequate supply."

The suit charges that in addition to using turn to earn, SET also bases allocations on: number of cars sold to World Omni Leasing, Inc., an affiliate of the distributor; the number of cargo vans a dealer orders that are converted to passenger units by another SET company; use of the distributor's finance and insurance programs; number of parts and accessories added to new vehicles shipped to the dealer by SET.

In addition to filing the lawsuit, Stickland said a complaint has been lodged with the Commission of Motor Vehicles in North Carolina seeking the suspension of SET's state license and legal action by the state to halt turn and earn practices.

U.S. IMPORT SALES

	Nov. 1986	Nov. 1985	11 Mos., 1986	11 Mos., 1985
ACURA	7,152	0	43,589	0
Integra	3,297	0	22,769	0
Legend	3,855	0	20,820	0
ALFA ROMEO	872	319	7,627	4,320
AUDI	3,596	6,099	56,009	67,718
4000S	670	1,319	11,450	16,226
4000CS Quattro	405	465	3,757	4,315
5000S	1,500	3,133	27,758	30,849
5000CS Turbo	396	506	5,942	6,052
5000CS Turbo Quattro	354	181	2,898	5,268
Quattro Coupe	0	6	1	71
Coupe GT	173	297	2,648	3,309
BMW	7,035	6,380	86,287	80,181
318i	6	1,048	899	22,661
524 TD	20	278	1,736	1,621
325	4,274	2,270	54,485	26,653
528e	1,612	743	13,778	10,117
535i	277	496	6,612	6,359
635CSi	274	331	2,594	3,473
735/L-7	572	1,214	6,183	9,297
CHEVROLET	8,733	11,587	148,945	75,437
Spectrum	5,748	5,961	91,446	49,419
Sprint	2,985	5,606	57,499	26,018
CHRYSLER/MITSUBISHI	9,354	12,208	122,944	91,707
Colt	5,583	9,166	85,419	65,917
Conquest	772	477	5,982	4,880
Vista	2,999	2,565	31,543	20,910
HONDA	37,447	37,565	365,093	365,547
Civic/CRX	18,549	18,339	194,915	185,355
Accord	12,291	13,040	100,160	109,709
Prelude	6,607	6,186	70,018	70,483
HYUNDAI	15,925	0	146,470	0
ISUZU	5,260	1,913	34,248	25,035
I-Mark	4,136	1,172	22,632	11,516
Impulse	1,124	741	11,616	13,519
JAGUAR	1,829	1,530	21,707	17,414
XJ6	1,388	1,376	17,467	14,254
XJS	441	154	4,240	3,160
MASERATI	50	80	1,119	1,298
MAZDA	18,134	22,802	194,417	185,625
323	6,443	8,788	65,000	55,263
626	7,401	9,369	79,736	81,961
RX-7	4,290	4,645	49,641	48,401
MERCEDES BENZ	8,390	7,311	85,622	76,784
190	1,780	1,809	18,857	23,443
260E	213	0	333	0
300	2,452	2,164	24,453	26,627
300SDL Turbo	681	0	6,056	0
420SEL/380	1,258	1,258	14,075	7,076
560SEL/500	863	662	8,989	7,150
560SL	982	1,266	10,836	9,165
560SEC	161	152	2,023	1,335
Tourist	161	152	2,010	1,988
MERKUR	590	815	13,557	8,096
MITSUBISHI	4,304	4,018	43,998	46,133
Starion	545	232	5,180	4,439
Cordia	387	453	4,542	7,743
Tredia	628	988	8,553	10,099
Mirage	1,469	1,075	12,913	12,156
Galant	1,275	1,270	12,810	11,696
NISSAN	32,186	43,690	454,807	496,102
Sentra	8,444	12,804	151,041	169,634
Pulsar	2,819	4,425	41,561	46,148
Stanza	5,051	6,020	61,703	59,024
Maxima	7,241	8,818	103,430	90,300
200SX	3,208	4,891	42,627	61,378
300ZX	3,004	5,369	48,368	62,250
Hawaii	2,419	1,363	6,077	7,368
PEUGEOT	1,562	827	13,176	14,666
PORSCHE	2,168	2,542	26,924	22,822
924S	350	0	2,756	0
944	570	1,240	8,644	14,311
944S	231	0	323	0
944 Turbo	136	437	5,835	905
911 Coupe	396	397	3,908	4,027
911 Turbo	87	81	1,222	157
911 Cabriolet	174	94	1,877	1,068
928S	224	293	2,359	2,354
RENAULT	98	486	3,764	6,810
18i	98	486	3,764	6,810
Fuego	0	0	0	0
SAAB	3,787	3,426	44,507	35,819
900	884	1,124	13,165	10,342
900S	1,165	1,147	13,844	10,592
900 Turbo	730	921	7,852	13,601
9000 Turbo	963	196	8,876	196
Tourist	45	38	770	988
SUBARU	12,120	15,526	167,774	161,929
Hatchback	850	1,380	15,006	14,332
3 Door	961	0	10,808	0
4-Door Sedan	2,787	4,705	46,080	52,477
XT	1,499	1,490	22,238	12,626
Station Wagon	5,722	7,695	69,854	78,652
Brat	301	256	3,788	3,842
TOYOTA	62,662	49,187	565,549	566,302
Corolla	14,326	12,314	135,364	155,163
Tercel	8,973	5,661	68,020	83,499
Celica	8,785	8,229	96,625	70,360
Supra	3,211	1,083	29,899	22,389
Camry	15,670	11,492	134,655	115,764
Cressida	3,709	3,240	37,900	41,996
Land Cruiser	471	731	3,864	3,970
Van	2,258	1,955	19,277	30,697
4Runner SR 5	491	472	5,198	14,968
MR2	1,916	2,531	26,094	29,558
Hawaii	577	1,479	5,551	7,938
Other	0	0	0	0
VOLKSWAGEN	8,707	10,509	131,472	130,233
Cabriolet	899	746	13,051	11,722
Jetta	5,289	7,425	86,515	76,331
Vanagon	901	766	11,375	16,135
Quantum	924	970	10,528	13,096
Scirocco	694	602	10,003	12,949
VOLVO	7,873	7,800	111,127	99,946
240 Series	3,464	3,994	53,243	50,632
740 Series	3,430	2,810	46,763	35,666
760 Series	877	866	10,085	11,876
Tourist	102	119	1,036	1,772
YUGO	4,023	920	31,659	3,895
IMPORT TOTAL	263,867	247,540	2,922,391	2,583,809

Includes tourist deliveries.
Toyota import total for Nov. includes 2,275 for the domestic Corolla FX16.

AUCTION DATES

American Motors

Dec. 16 — D-A Auto Auction, New Stanton, Pa., and Aptco Auto Auction, Taylor, Mich.

Dec. 17 — Metro Milwaukee Auto Auction, Caledonia, Wis., and Minneapolis Auto Auction, Plymouth, Minn.

Dec. 18 — Todd Auto Auction, Telford, Pa.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Evansville Auto Auction, Evansville, Ind.

Dec. 23 — D-A Auto Auction, New Stanton, Pa.

Used Car Sales
Auction Averages

December to date	$5,144
Month ago	$5,172
Year ago	$4,589

Chrysler Corp.

Dec. 16 — Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; Dallas Special Sale, Grand Prairie, Tex.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Dec. 17 — Southern Auto Auction, Warehouse Point, Conn.; Columbus Fair Auto Auction, Obetz, Ohio; Southwest Auto Auction, Phoenix, Ariz.; and South Seattle Auto Auction, Kent, Wash.

Dec. 18 — Fredericksburg Auto Auction, Fredericksburg, Va.

Dec. 19 — Floyd Hauhe Auto Auction, Bridgeton, Mo.

Dec. 23 — Hatfield Auto Auction, Hatfield, Pa.

Model Breakdown
Auction Averages

	DEC 1986	NOV 1986	OCT 1986
1986	$11,253	$11,299	$11,574
1985	$8,208	$8,265	$8,414
1984	$6,152	$6,186	$6,215
1983	$5,397	$5,420	$5,442
1982	$4,157	$4,190	$4,216
1981	$3,198	$3,244	$3,277
1980	$2,365	$2,387	$2,424
1979	$2,054	$2,069	$2,086
Overall Average	$5,144	$5,181	$5,196

General Motors

Dec. 16 — Southern Auto Auction, Warehouse Point, Conn.

Dec. 17 — Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis; and Brasher's Salt Lake Auto Auction, Salt Lake City.

Dec. 18 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; and Big H Auto Auction, Houston.

Ford Motor Co.

Dec. 16 — South Seattle Auto Auction, Kent, Wash., and Harrisonburg Auto Auction, Harrisonburg, Va.

Dec. 17 — Brasher's Southern California Auto Auction, Fontana, Calif., and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Dec. 18 — Denver Auto Auction, Englewood, Colo.; Houston Predelivery Center, Houston; Skyline Auto Exchange, Fairfield, N.J.; and Floyd Hauhe Auto Auction, Bridgeton, Mo.

Chrysler and Garrett donate turbocharged engines to schools

DETROIT — Officials from 10 Michigan schools have each received a gift of a Chrysler turbocharged engine for their engineering and automotive programs.

The presentations were part of a ceremony staged by Chrysler Motors and Garrett Automotive to mark Chrysler's production of its 500,000th turbocharged car.

The engines were presented to the schools' representatives at a dinner in Detroit last month by Frank M. Clark, general manager of powertrain operations at Chrysler, and Walt Ware, vice president and general manager of Garrett Turbocharger Division.

Each school was given a 2.2-liter four-cylinder overhead-cam engine equipped with a Garrett T-3 water-cooled turbocharger for use in the schools' vehicle laboratories.

Through the 1986 model year, Chrysler produced more than 500,000 cars with the engine. Four Chrysler turbocharged cars recently set a Chrysler speed and endurance record by averaging more than 126 mph for 24 hours.

AUCTION DIRECTORY

Display Rates: $88.00 per column inch (minimum space 1 inch on 1 column). Listing Rates: (Maximum: Four lines of type—1 time, $28.00; 13 times, $26.00; 26 times, $24.00; 52 times, $20.50. For Frequency Display Rates contact Classifieds, Automotive News, 1400 Woodbridge, Detroit, Mich.-48207. Phone (313) 446-6065. Closing: 12 days in advance.

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NOTICE

Because of the Christmas Holiday . . . The deadline for our Dec. 29 issue will be Wed., December 17, no later than 5 p.m.

Because of the New Year Holiday . . . The deadline for our Jan. 5 issue will be Friday, December 19, no later than 5 p.m.

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PRODUCTION

Build is 6-month high

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's targeted domestic auto production of 179,985 was the highest for any week since the 180,166 completed the week ended June 21.

The week's output was 15.29 percent more than the previous week's 156,114 but was 1.55 percent below the year-ago week's 182,811.

Companies split last week's estimated production as follows: General Motors, 52.78 percent; Ford Motor Co., 24.03 percent; Chrysler Motors, 13.61 percent; Honda of America Manufacturing Inc., 3.69 percent; New United Motor Manufacturing Inc., 2.33 percent; Nissan Motor Manufacturing Co., U.S.A., 1.62 percent; Volkswagen of America, 1.11 percent; and American Motors, 0.83 percent.

AMC's Kenosha, Wis., plant resumed production last week after being idle for two weeks for inventory adjustment. However, AMC will close the same plant today (Dec. 15) until Jan. 12 for inventory adjustment, affecting 2,000 workers.

The manager at GM's Norwood, Ohio, plant told its 3,500 workers not to report to work the week of Jan. 5. The plant, which assembles Pontiac Firebird and Chevrolet Camaro, will be closed for one week for inventory adjustment.

The number of indefinite layoffs at GM increased last week by 1,500 to 24,000. The layoffs were a result of schedule adjustments at various GM plants.

GM issued a revised figure for layoffs at its Arlington, Texas, plant: 2,100 workers are laid off, not 1,630 as previously announced.

GM scheduled Saturday (Dec. 13) overtime at plants in Lake Orion and Lansing, Mich.

Ford slated Saturday overtime at its Atlanta and Chicago plants. Daily overtime is scheduled this week (Dec. 15) at all Ford plants except Lorain, Ohio.

Chrysler's Belvidere, Ill., and Sterling Heights, Mich., plants were both slated for Saturday overtime. The same plants are scheduled for daily overtime this week.

VW's Westmoreland, Pa., plant resumed output last week (Dec. 8).

Year's best week for U.S. trucks

Domestic truckmakers slated production of 78,947 units last week, marking the best weekly output since the year-ago week's build of 83,892.

Last week's estimated build was 15.95 percent more than the previous week's 68,089.

General Motors' Pontiac West plant in Pontiac, Mich., which assembles the Chevrolet S-10 Blazer and GMC S-15 Jimmy, closed today (Dec. 15) for installation of paint equipment. A total of 1,700 workers will be laid off until Jan. 5, 1987.

The following GM plants were slated for overtime Saturday (Dec. 13): Baltimore; Detroit; and Lordstown, Ohio.

Saturday overtime was scheduled at Ford Motor Co.'s Wayne, Mich., and Lorain, Ohio, plants. Daily overtime is slated at all Ford plants this week except Norfolk, Va.

Chrysler Motors' Warren, Mich., plant is scheduled for daily overtime this week.

Canada hits million-car mark

Canadian automakers built their one millionth car of the year last Monday (Dec. 8), nine days behind 1985.

Last week's scheduled production of 25,659 cars was 9.72 percent more than the prior week's 23,386 but 4.02 percent below the year-ago week's 26,733.

Truckmakers targeted output of 13,800 units last week, up slightly (0.51 percent) from the previous week's 13,730 but 27.77 percent below the year-ago week's 19,106.

American Motors' Brampton, Ontario, car plant closed last Wednesday (Dec. 10) for inventory adjustment.

CANADIAN CAR	Week Ended Dec. 13, 1986	Week Ended Dec. 14, 1985	Week Ended Dec. 6, 1986	Dec. to Date	Jan. 1 to Dec. 14, 1985	Jan. 1 to Dec. 13, 1986
AMERICAN MOTORS	60	409	150	210	10,893	4,325
FORD MOTOR	11,694	11,443	10,839	22,533	482,772	504,983
GENERAL MOTORS	13,680	14,656	12,172	25,852	559,818	502,975
VOLVO	225	225	225	450	9,625	9,645
Total Cars, Canada	25,659	26,733	23,386	49,045	1,063,108	1,021,928

U.S. TRUCK☆	Week Ended Dec. 13, 1986	Week Ended Dec. 14, 1985	Week Ended Dec. 6, 1986	Dec. to Date	Jan. 1 to Dec. 14, 1985	Jan. 1 to Dec. 13, 1986
CHEVROLET	23,601	27,358	14,789	38,390	1,126,620	1,097,950
DODGE	5,800	5,578	6,152	11,952	205,972	142,787
FORD	31,308	30,537	31,976	63,284	1,164,433	1,324,264
GMC	8,237	8,092	5,410	13,647	343,478	343,690
NAVISTAR	1,621	1,481	1,612	3,233	70,990	69,521
JEEP	4,300	5,937	4,060	8,360	223,538	182,363
NISSAN	1,730	2,459	1,740	3,470	105,137	104,360
AM GENERAL*	50	50	50	100	2,430	2,404
MISCELLANEOUS*	2,300	2,000	2,300	4,600	90,953	109,572
Total Trucks, U.S.	78,947	83,892	68,089	147,036	3,333,551	3,376,911

CANADIAN TRUCK	Week Ended Dec. 13, 1986	Week Ended Dec. 14, 1985	Week Ended Dec. 6, 1986	Dec. to Date	Jan. 1 to Dec. 14, 1985	Jan. 1 to Dec. 13, 1986
AMERICAN MOTORS	300	0	640	940	0	27,120
CHRYSLER	8,964	9,340	9,167	18,131	382,164	386,752
FORD	3,040	3,557	2,754	5,794	157,010	141,353
GENERAL MOTORS	1,296	6,005	968	2,264	276,686	186,726
NAVISTAR	200	204	201	401	10,703	9,068
Total Trucks, Canada	13,800	19,106	13,730	27,530	826,563	751,019
N. American Trucks	92,747	102,998	81,819	174,566	4,160,114	4,127,930

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Dec. 13, 1986	Week Ended Dec. 14, 1985	Week Ended Dec. 6, 1986	Dec. to Date	Jan. 1 to Dec. 14, 1985	Jan. 1 to Dec. 13, 1986
AMERICAN MOTORS	1,500	2,882	0	1,500	106,200	48,344
Renault Total	1,500	2,882	0	1,500	106,200	48,344
Alliance	1,500	2,336	0	1,500	70,107	44,997
Encore	0	546	0	0	36,093	3,347
CHRYSLER MOTORS	24,500	28,465	25,851	50,351	1,216,536	1,250,366
Plymouth Total	9,500	9,417	10,109	19,609	354,324	405,236
Horizon	3,800	3,828	3,936	7,736	137,113	165,422
Sundance	2,000	0	2,447	4,447	0	33,094
Reliant	2,900	4,030	2,878	5,778	156,007	146,333
Caravelle	800	1,299	848	1,648	46,670	42,801
Gran Fury	0	260	0	0	14,534	17,586
Chrysler Total	4,400	9,170	4,608	9,008	394,373	357,851
Laser	0	1,110	0	0	50,062	26,978
LeBaron	2,100	3,004	2,025	4,125	91,866	82,734
LeBaron GTS	900	0	1,049	1,949	93,032	60,776
New Yorker/E-Class	1,400	1,335	1,534	2,934	61,942	69,964
Fifth Avenue	0	3,721	0	0	100,471	117,399
Dodge Total	10,600	9,878	11,134	21,734	463,839	487,279
Daytona	700	1,159	605	1,305	45,795	32,125
Omni	3,400	3,496	3,648	7,048	131,605	157,190
Shadow	2,000	0	2,214	4,214	0	31,978
Aries	3,000	3,107	2,728	5,728	130,080	121,727
Dodge 600	800	1,606	1,148	1,948	63,947	61,901
Lancer	700	0	791	1,491	63,820	46,275
Diplomat	0	508	0	0	29,592	36,083
FORD MOTOR	43,259	32,225	40,409	83,668	1,573,402	1,684,739
Ford Division	30,529	21,602	28,120	58,649	1,054,195	1,167,058
Escort	7,924	7,641	6,759	14,683	330,724	361,702
EXP	0	0	0	0	3,838	0
Mustang	4,540	3,830	4,279	8,819	177,816	171,597
Tempo	4,539	4,330	5,091	9,630	181,157	189,127
LTD	0	0	0	0	180,724	0
Taurus	11,310	1,999	9,428	20,738	10,105	317,037
Thunderbird	2,216	3,802	2,563	4,779	162,709	127,595
Crown Victoria	0	0	0	0	7,122	0
L-M Division	12,730	10,623	12,289	25,019	519,207	517,681
Mercury Total	8,673	6,933	7,572	16,245	362,736	342,782
Lynx	1,278	1,713	1,259	2,537	72,239	58,040
Capri	0	760	0	0	19,319	12,344
Topaz	983	1,116	1,271	2,254	52,624	55,486
Cougar	3,068	2,303	2,240	5,308	125,879	96,231
Marquis	0	0	0	0	83,481	0
Sable	3,344	1,041	2,802	6,146	4,462	120,681
Grand Marquis	0	0	0	0	4,733	0
Lincoln Total	4,057	3,690	4,717	8,774	156,471	174,899
Continental	405	510	475	880	24,348	18,814
Lincoln	3,044	2,768	3,537	6,581	114,833	131,179
Mark VII	608	412	705	1,313	17,290	24,906
GENERAL MOTORS	94,956	109,568	76,243	171,199	4,661,767	3,951,225
Buick Total	18,272	21,818	15,213	33,485	967,073	740,977
Skyhawk	1,860	2,621	0	1,860	108,321	78,573
Century	5,645	7,395	5,737	11,382	286,046	221,600
Regal	1,635	2,934	1,811	3,446	130,912	57,502
Skylark (X-car)	0	1,330	0	0	40,953	0
Somerset/Skylark	2,936	1,635	2,279	5,215	113,717	107,394
LeSabre (fwd)	3,158	1,300	2,729	5,887	8,470	149,233
LeSabre/Electra(rwd)	359	239	337	696	95,816	14,483
Electra(fwd)	1,801	3,999	1,805	3,606	135,384	87,383
Riviera	878	365	515	1,393	47,454	24,809
Cadillac Total	8,050	7,206	7,350	15,400	314,673	305,133
Cimarron	500	606	238	738	25,757	22,513
Cadillac (rwd)	1,560	1,616	1,401	2,961	39,133	72,949
DeVille (fwd)	4,315	4,256	4,766	9,081	168,933	164,257
Eldorado	640	394	564	1,204	52,691	23,829
Seville	1,035	334	381	1,416	28,159	21,585
Chevrolet Total	31,536	36,215	22,078	53,614	1,566,769	1,251,779
Chevette	2,744	2,821	2,679	5,423	149,420	101,833
Camaro	3,408	4,739	0	3,408	205,689	165,809
Cavalier	9,590	11,446	2,872	12,462	473,494	376,269
Celebrity	5,053	5,902	6,325	12,378	255,755	249,469
Citation	0	0	0	0	28,699	0
Corsica/Beretta	2,330	0	1,688	4,018	0	12,184
Monte Carlo	1,580	2,874	2,486	4,066	133,066	106,120
Chevrolet	5,191	7,437	5,377	10,568	274,057	213,033
Corvette	640	996	651	1,291	44,458	27,062
Oldsmobile Total	17,660	26,321	16,429	34,089	1,127,956	893,444
Firenza	855	1,293	0	855	60,119	36,655
Calais	3,148	3,378	2,416	5,564	144,122	114,600
Cutlass Ciera	4,552	8,733	4,489	9,041	342,119	228,093
Cutlass Supreme	805	4,634	1,796	2,601	225,975	104,849
88 (fwd)	4,796	3,876	4,607	9,403	19,985	263,983
88 (rwd)	460	618	390	850	167,910	18,233
Olds 98	2,407	3,531	2,370	4,777	138,965	109,233
Toronado	627	258	361	988	28,761	17,798
Pontiac Total	19,438	18,008	15,173	34,611	685,296	759,892
Acadian**	0	273	612	612	16,419	15,717
Fiero	1,760	2,415	1,795	3,555	109,921	66,139
1000	576	853	612	1,188	34,436	20,306
Firebird	2,042	2,555	0	2,042	109,643	101,055
2000 Sunbird	2,235	2,983	789	3,024	137,232	125,465
Grand Am	6,175	4,072	4,879	11,054	136,286	220,845
6000	2,880	2,194	2,897	5,777	55,289	128,459
Bonneville	3,400	0	3,214	6,614	0	32,498
Safari/Parisienne	370	2,663	375	745	86,070	49,408
HONDA	6,650	3,379	6,716	13,366	139,305	224,981
Civic	1,710	0	1,614	3,324	0	18,511
Accord	4,940	3,379	5,102	10,042	139,305	206,470
NISSAN	2,920	2,015	2,915	5,835	40,746	59,002
NUMMI	4,200	1,900	3,980	8,180	56,239	187,849
Corolla	1,100	0	1,023	2,123	0	8,805
Nova	3,100	1,900	2,957	6,057	56,239	179,044
VOLKSWAGEN	2,000	2,377	0	2,000	92,314	79,469
Golf/GTI	1,750	2,377	0	1,750	92,314	78,848
Jetta	250	0	0	250	0	650
Total Cars, U.S.	179,965	182,611	156,114	336,099	7,886,509	7,466,004
Total Cars, Canada	25,659	26,733	23,386	96,366	1,063,108	1,021,928
N. American Cars	205,644	209,544	179,500	385,144	8,949,617	8,507,932
N. American Trucks	92,747	102,998	81,819	174,566	4,160,114	4,127,930
North American Cars and Trucks	298,391	312,542	261,319	559,710	13,109,731	12,635,862

*—Revised estimate. **—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

FORECAST

FROM PAGE 1

for Data Resources Inc.

Ronald Glantz of Montgomery Securities added, "The first quarter will wind up being down 10 percent from 1986 because the industry will end the year with 1.8 million cars in inventory, a quarter of a million higher than desirable. Also, every forecast out of Detroit agrees sales will be lower in 1987."

Against that backdrop, says analyst Tom O'Grady of Integrated Automotive Resources, "You would hope good judgment would prevail and sales incentives would be introduced at the beginning of 1987. Incentives have given us two good years of sales and if the domestic makers are trying to compete with the Japanese on cost, and prices have gone down, we would expect they could afford incentives."

He added that since GM has raised prices three times in the last year because of the cost of incentives, GM might as well return to them since they have already been absorbed into the price of a car.

In their already-announced production plans for the first quarter of 1987, U.S. automakers estimated production to be slightly higher than the 1986 total. Forecasts call for 2,142,972 cars, 0.70 percent more than the 2,128,067 completed in the same period of this year.

Ford Motor Co. anticipates a 13.10 percent increase from 1986 — accounting for about 60,000 new units — and New United Motor Manufacturing Inc. plans to increase output by 7.69 percent, about 3,500 units.

Chrysler Motors is cutting production by about 70,000 units or 18.87 percent, basically due to its St. Louis (No. 2) plant being down for model changeover until March 27. The plant assembled the Fifth Avenue, Gran Fury and Diplomat and is retooling to build Caravan and Voyager minivans.

American Motors is scheduled to cut its output by 3,000 units or 24.32 percent.

Major increases in 1987 first quarter forecasts from actual 1986 figures were reported by: Honda of America Manufacturing Inc., up 94.59 percent or more than 40,000 units; Nissan Motor Manufacturing Co., U.S.A., up 74.89 percent or 16,000 units; and Volkswagen of America, up 28.48 percent or 6,000 units.

GM's adjustment of first quarter production comes on the heels of cuts in its fourth quarter output, which resulted in the temporary layoff of about 18,000 workers.

Analysts expect GM to open the new year with a days supply of at least 100 units. As of Dec. 1, GM had an 84 day supply of cars. And that figure was reduced by the effects of GM's Delco labor problems in late November, which curtailed production for almost a week. The ideal days supply for January is about 70.

Analyst Glantz predicted that 1987 calendar year production will total about 6,925,000, down 11.5 percent from the 1986 estimate of 7,823,000. O'Grady agreed that the first quarter would be lower than expected and said 1987 calendar year production would be about 400,000 units lower than the 1986 total.

ASC/Canada formed

MISSISSAUGA, Ontario — ASC/Canada Inc. has been formed to serve aftermarket and original-equiment customers north of the border. Nick Rehmtulla has been named general manager.

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Automotive News

December 22, 1986

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UAW leaders attack GM in 1987 preview

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

BAL HARBOUR, Fla. — Job security, outsourcing and subcontracting — the pivotal issues in the 1987 auto negotiations — were burning topics as UAW leaders met here last week to elect subcouncil officers and top negotiators and to begin to discuss bargaining strategies.

The agony of General Motors manifested itself beneath the ritual conviviality of gatherings amid palm trees and Christmas wreaths. To the union's litany of woes, UAW Vice President Donald Ephlin announced to a general assembly that GM will close eight assembly plants for two weeks in January for inventory adjustment.

The latest layoffs will affect 24,300 workers.

GM sales have declined in the last four 10-day periods, and the company recently announced it will cut production in January at three of its newest plants, laying off 4,500 workers. GM said it is cutting production as an alternative to expensive sales incentives.

Sources at the UAW meeting here said Ephlin warned that the union's supplemental unemployment benefit funds were "not geared for massive layoffs and could come under severe strain."

Ephlin reportedly told the union leaders that component plants have worse problems than assembly plants. Though he gave no details, GM is apparently responding to analysts' urging that it needs to move toward less vertical integration.

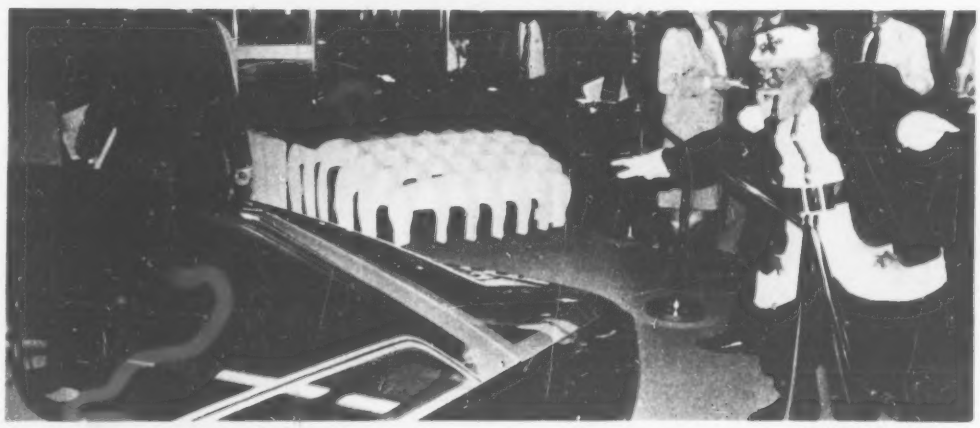
That move will result in subcontracting and outsourcing on a grand scale and represents a major threat to the jobs at component plants — which will suffer the ripple effects of assembly-plant layoffs as well.

Speaking for the beleaguered component plants, Wayne Krumm, shop committee chairman at Local 626 at GM's New Departure Hyatt Division plant in Bristol, Conn., said, "The layoffs at assembly plants will mushroom and affect component plants. It is the workers who are paying and will continue to pay for GM's engineering and styling mistakes."

He also referred to GM's decision to sell its commercial bearing operation at the Brtistol plant, which will cut the workforce in half.

Discussions at the Miami meetings were focused on the fate of Fisher Guide Division's Elyria, Ohio, plant. In a quintessential outsourcing move, GM announced it plans to sell the Elyria trim plant to a supplier "with a lower cost structure." Members of Local 780 in Elyria said that probably means a non-union facility. GM plans to buy back much of the plant's product at a lower cost.

see UAW, page 26



AUTOMOTIVE NEWS JOE WILSEENS

Ford welcomes jolly gentleman in red suit
To kick off the holiday season in the auto industry, Santa Claus attends the opening of Ford Motor Co.'s "World of Ford" product and technology display in Detroit's Renaissance Center. Ford said the 35,000-square-foot showplace was designed to entertain the public.

Fallout: *GM and EDS find it hard to escape aftermath of huge payment to Perot*

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

General Motors and Electronic Data Systems made little apparent progress last week in quelling a contentious aftermath to H. Ross Perot's departure, while EDS revealed plans to combat the publicity with an advertising campaign.

The automaker and its data processing subsidiary had set out to ease the concerns of analysts and institutional investors, who will play a role in restoring confidence in GM common and Class E stocks.

But some who heard the presentations in New York and Washington walked away unconvinced. Even the guest list at one of the meetings created a stir when GM Chairman Roger Smith failed to appear and sent other officials in his place.

Meanwhile, GM's $750 million buyout of former EDS Chairman Perot and three top EDS executives triggered more lawsuits. EDS also said it was preparing an extensive advertising campaign to redirect public attention back to the computer services business.

As before, EDS stressed a "business as usual" theme, and GM staunchly defended the Dec. 1 dismissal of its board member, most vocal critic and largest shareholder. But many of the analysts and institutional holders said the presentations opened up as many questions as they answered.

Some analysts, for example, questioned EDS' optimistic growth projections at a time when GM, its largest customer, is cutting capital spending. Members of the investor group said the payment to Perot has the disturbing air of a special deal for one stockholder.

Last Friday, the Wisconsin Investment Board submitted a resolution to GM for inclusion in its proxy statement. The resolution condemned the buyout and requested that any future stock repurchases be offered to all shareholders. Friday was the filing deadline for measures that can be included in GM's proxy statement and voted on by shareholders at GM's 1987 annual meeting.

"I think it is outrageous that they would summarily decide (to buy out Perot) and not even present it to the shareholders for a vote," said Kenneth Codlin, executive director of the Wisconsin board. The Wisconsin pension fund holds 1.1 million shares of GM's Class E stock on behalf of 300,000 public employees.

Codlin was one of the members of the Council of Institutional Investors who attended Wednesday's meetings in Washington. Collectively, the 40 groups in the council own about 7 million shares of GM common and Class E stock. They had requested the meeting to satisfy their concerns about the buyout.

Initially, both Perot and Smith agreed to attend, said Steven Matthews, assistant controller for New York City and a spokesman for the council. But in Smith's place, four other executives attended - GM Executive Vice President Donald J. Atwood, GM Treasurer Leon J. Krain, GM General Counsel Elmer W. Johnson and EDS President Lester M. Alberthal Jr.

see FALLOUT, page 27

Testings by NHTSA too few, GAO finds

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — In response to a critical General Accounting Office report, NHTSA last week agreed to change the way it administers the nation's motor-vehicle safety laws.

The GAO study found flaws in the way NHTSA manages its testing and compliance program — specifically faulting NHTSA for not checking manufacturer compliance with 13 of 39 testable safety standards in at least five years and for not establishing "management controls" for the processing of safety investigations.

GAO recommended — and NHTSA and the Department of Transportation agreed to:

- Ensure that all testable safety standards are selected for testing over a certain period of time.
- Develop milestones and procedures for processing and monitoring investigation and civil penalty cases.
- Review the collection and use of accident data for selecting vehicles one year old or older for testing.

GAO also asked that NHTSA "develop guidelines for the Office of Vehicle Safety Compliance to use in determining which investigation cases should be forwarded to the chief counsel's office for penalty assessment."

DOT and NHTSA turned down that request. They said the decision to forward a case to the chief counsel's office "involves a complex set of factors and is fully

see NHTSA, page 27

Taiwan flying high with new car intro

By Andrew Tank
STAFF CORRESPONDENT

TAIPEI, Taiwan — Taiwan's auto industry is celebrating the successful launch of the first Taiwanese-designed car. But at the same time, it is cursing a government auto policy which, by encouraging imports, threatens the financial viability of local manufacturers.

Taiwan's biggest automaker, Yue Loong, launched its Feeling (Flying Antelope) X101 subcompact at the end of October after spending $55 million on its design and development.

Five thousand were sold in the first month, making it the most successful new model ever launched in Taiwan, according to Shiaw-Huu Wang, general manager of Yue Loong's business division. Wang hopes to sell at least 24,000 Feelings next year and hence recoup lost market share.

Yue Loong Feeling X101

The snag is that Taiwan's government is under strong pressure to lift protectionist barriers on imports, since it earned a current account surplus of around $14 billion in 1986. It is reducing tariffs on imported vehicles by 5 percent a year, so that by 1990 the local auto makers will have almost no tariff protection at all.

Already imports have increased their market share

see TAIWAN, page 30

VW-Ford firm may expand in Latin America

By Rik Turner
STAFF CORRESPONDENT

SAO PAULO, Brazil — Autolatina, the holding company formed recently by the Volkswagen and Ford operations in Brazil and Argentina, could extend its activities to Mexico and Venezuela.

Wolfgang Sauer, Autolatina president, and Wayne Booker, the firm's general manager, hinted at the possibility at a press conference, where they gave early indications of how the new company is developing.

Booker commented that, "The

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NEWSPAPER

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After confusion, jury acquits DeLorean
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Ford: '87 industry can't match '86
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Safety not first with Reagan, Nader charges

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — In a letter to President Reagan, Ralph Nader has accused the President and Transportation Secretary Elizabeth H. Dole of failing to advance highway safety.

Nader accused Dole of a "steadfast refusal to press" automakers to produce cars with air bags and of failing to push safety research and education.

Nader

In the letter, Nader pointed to disproportionate spending to promote passive versus active systems. He said that only $1 million of the Transportation Department's fiscal 1986 budget is pegged for air bags or passive belts, and $4 million has been set aside for seat-belt education nationally. The states have budgeted $110 million, mostly for belt-use education, he said.

Nader said that DOT has not done any radio or television public service advertising for air bags either. Further, he scolded the Reagan administration for abandoning the Research Safety Vehicle program which Nader described as "not pie-in-the-sky."

At a news conference last week, Nader cited a survey of 15,475 new-car buyers, made by Newsweek magazine last February and March. It showed that 87 percent of those responding believed air bags should be standard equipment on all automobiles.

That is the highest percentage ever recorded in a survey of air-bag preference. And, it is 31 percentage points higher than the number of those who wanted a mandatory high-mounted rear brake light in the same survey.

Nader is also kicking off a "Celebrity Air Bag Pledge." Several notables have promised to buy an air-bag-equipped car from the first automaker that provides full front-seat air bags as standard equipment in a total model line.

The cars-for-stars safety campaign requires that previous-year sales for the model line be at least 200,000 or that the line have a production run of at least 200,000 in its first year.

Celebrities who have joined the campaign so far include: Steve Allen, Ed Asner, Dan Ackroyd, Phil Donahue, Dustin Hoffman, Bill Murray, Paul Newman and Abigail (Dear Abby) Van Buren. More are expected to join.

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61st year—No. 5159

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AUTOMOTIVE NEWS JOIE WILSSENS
Reporters and attorneys Howard Weitzman, left, and Juanita Brooks surround John DeLorean after his acquittal

Acquitted: *After confusion, jury says DeLorean did not embezzle money from investors*

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — A federal jury last Wednesday acquitted former automaker John Z. DeLorean of all 15 fraud and racketeering counts stemming from charges that he embezzled $8.5 million from investors in his defunct sports-car project.

The 10-week trial began Oct. 6.

Following his acquittal, DeLorean appeared on the courthouse steps with two defense attorneys. All three blasted the government, again charging that prosecutors had hidden evidence, or even "fabricated" evidence, as part of a vendetta against DeLorean.

"What kind of animal would do that?" DeLorean said, questioning the morality of government prosecutors and agents.

The 61-year-old former General Motors executive said he felt "wonderful" and was anxious to spend the holidays with his children.

DeLorean also said he felt he could still contribute something to the U.S. car industry and help it "get competitive again."

The six-man, six-woman jury returned the verdict after deliberating 5½ days, despite apparent jury-room lack of agreement that DeLorean was innocent.

In fact, less than an hour after the verdict, government lawyers were back in front of presiding U.S. District Judge Julian A. Cook Jr., seeking to have the verdict overturned because jurors apparently misunderstood some of Cook's instructions to them.

On a special verdict form, the court reminded jurors that to convict on the racketeering charge, they all had to agree on which racketeering acts were committed. The form said, "Without such unanimous agreement, you must find the defendant not guilty of count one," which was the racketeering charge.

The jurors erroneously interpreted that sentence to mean that even if there were jurors who thought DeLorean was guilty, they had to change their vote to "not guilty" to coincide with the majority and avoid a hung jury. In a federal case, the vote of the jury must be unanimous for either conviction or acquittal.

So, the jury returned a "not guilty" verdict, although two jurors believed he was guilty and one was undecided.

However, assistant U.S. attorney Joseph E. Papelian, seemingly stunned by the verdict, did not ask the court to poll each juror individually, at the time of the verdict. Cook, therefore, refused to overturn the verdict and declare a mistrial.

If Papelian had requested a polling at the time of the verdict and even one juror had expressed dis-

see DELOREAN, page 29

Mullane quits DEAC post, blasts NADA

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Saying that the Dealer Election Action Committee was "acting as though its constituency was the manufacturers not the dealers," DEAC treasurer Ed Mullane resigned his post with the political fund-raising group effective immediately.

In a letter to William E. Hancock Jr., DEAC chairman, Mullane said he believed that the National Automobile Dealers Association was "calling the shots" in determining DEAC policy.

He added, "The straw that broke the camel's back as far as my continued participation is concerned was NADA's gutless effort on federal lease and fleet legislation and our abandonment of the Iowa dealers. We turned our back on them and left them twisting in the wind."

Hancock was unavailable for comment on the Mullane resignation last week.

However, NADA told Automotive News that Hancock has replied. NADA said that in a letter to Mullane, Hancock thanked him for his role in the development of DEAC and said that the fleet subsidy issue would continue to be worked on. Hancock also said he looked forward to working with Mullane again.

NADA had no comment on the issues raised by Mullane concerning NADA's relationship with DEAC.

Mullane, long a dealer activist, also is president of the Ford Dealers Alliance. He was a driving force in the futile effort last year to obtain federal legislation barring incentives to large fleets. That failure led to NADA's adoption of a second strategy of attempting to have similar legislation enacted on the state level.

Mullane: "I can't be a part of the hypocrisy."

The Iowa Automobile Dealers Association succeeded in having such a law passed in that state. It went into effect last July. The Iowa dealers are now seeking repeal of the law because of lost fleet business and because they did not see any other state dealer groups moving to support their initial effort by trying to obtain similar legislation.

Mullane, in his letter, said he could no longer support DEAC and that, "The only honorable course for me is to tender my resignation."

DEAC was founded 10 years ago to raise money for political candidates. Mullane was one of the original trustees of the organization and, according to Mullane, the organization raises more than $1 million every two years for candidates.

While the organization technically is independent of NADA, most of its board were NADA officers at one time. Hancock was president of NADA in 1975.

Mullane said that while he believes in strong political action on behalf of dealer interests, "with DEAC tied irretrievably to NADA, and NADA's willingness to be manipulated by the manufacturers," he did not see any action coming from DEAC.

In a telephone interview with Automotive News, Mullane said that when he joined DEAC, he thought "we'd be an independent arm," but it hasn't worked out that way.

"I can't be a part of the hypocrisy," he said.

Mullane was infuriated last year when NADA could not move through Congress national legislation banning fleet incentives.

He blamed the failure on NADA. He said the dealer association was afraid to oppose Rep. John Dingell, D-Mich., who chairs the House Energy and Commerce Committee.

Dingell refused to release the bill from his committee unless there were substantial amendments which, in effect, would have weakened the measure.

Mullane reported that NADA was negotiating with Dingell to amend the measure, and that angered some dealers.

In resigning from DEAC, Mullane said, "I have had insufficient influence trying to work from inside DEAC. Perhaps I shall be more effective in changing your (NADA's) policies working from the outside."

GM expects weak start for industry in '87 sales

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

U.S. car and truck sales will likely be weak in early 1987 because of this year's car-buying incentives and tax overhaul, General Motors' chief economist said last week.

Those two factors — which have helped perk up the market in recent months — will probably steal 300,000 to 400,000 sales from the first part of next year, said George C. Eads, GM vice president and chief economist.

Still, Eads predicted that combined car and truck sales for calendar 1987 will be strong — between 14.5 million and 16 million units, or 10 million to 11 million cars and 4.5 million to 5 million trucks. That compares with an estimated 16 million cars and trucks that will be sold by the end of this year.

"There will be no boom and no recession," said Eads, who gave his outlook on the automotive industry at the Economic Club of Detroit's annual forecast meeting. "I believe that the balance of factors favors continued expansion during the coming year."

Eads expects that two recent boons to the economy — consumer and government spending — will be less of a stimulus in 1987. But declines in those areas should be offset by an improved trade picture in 1987, he said.

While Eads predicted the falling dollar will help ease the U.S. trade deficit, he also foresees some potential problems. He cited the possibility that the federal budget deficit might not decline as scheduled and that the new tax law might have unexpected, harmful consequences. Nonetheless, he said he expects the economy to get stronger as the year progresses and to grow at an annual rate of 2.5 percent.

Similarly, he said, auto sales will strengthen later in the year because of the waning effects of 1986 incentives. Also, tax reform will pull some sales from early 1987 into 1986 but eventually won't have much of an impact on the market, Eads said. The new law eliminates deductions for sales tax and some interest payments.

Imported cars should account for about 3 million sales in 1987, Eads said. And they will continue to be a challenge for GM and other domestic automakers.

"We expect the years ahead to be ones of intensifying competition as direct imports, the so-called transplants and the newly slimmed-down domestic manufacturers scramble for profits and market share," Eads said.

Eads wouldn't predict how GM, whose share of the car market has dropped from about 42 percent to 40 percent so far this year, would fare in the battle.

Eads said GM's efforts to close older plants and cut its white-collar workforce are "absolutely necessary if we are to be able able to compete effectively in the years immediately ahead."

Eads, 44, joined GM in July. He formerly was dean of public affairs at the University of Maryland. During the Carter administration, he was a member of the President's Council of Economic Advisers.

Domestic sales rise 18% in early Dec.

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Domestic new-car sales in early December topped the year-ago total.

Retail sales of domestically produced automobiles rose 18.31 percent to 190,809 from the 161,279 cars delivered in the Dec. 1-10 period last year.

However, because there were nine selling days in the period this year and only eight in 1985, the industry's total was up only 5.16 percent on a daily-rate basis.

Despite the gain in early December, the industry's year-to-date sales total of 7,732,394 was off 0.97 percent from the 7,807,818 cars sold through Dec. 10 last year.

At least one executive, Tom Pappert, Chrysler Motors sales group vice president, said year-end buying to avoid tax law changes helped sales. "It's beginning to look a lot like Christmas," he said.

General Motors, steadfastly avoiding another round of annual-percentage-rate finance incentives, reported its sixth consecutive 10-day sales decline since the APR program ended in October.

GM's sales were off 1.0 percent during the period, down to 94,120 from 95,073 last year. However, on a daily-rate basis, GM's sales dropped 12.0 percent. Cadillac, Chevrolet and Pontiac sales totals were ahead of year-ago tallies, while Buick and Oldsmobile declined.

Ford Motor Co.'s Dec. 1-10 sales total rose 50.2 percent to 60,158 from 40,046 last year. The daily-rate increase was 33.5 percent.

Chrysler Motors reported 27,572 Dec. 1-10 sales, up 40.3 percent from 19,656 last year; with a daily-rate increase of 24.7 percent.

The company said the early-December total for Dodge was the highest for the first 10 days of any month.

Despite its zero APR program, American Motors' early-December sales were off 34.7 percent to 1,110 from 1,700 last year. Its daily rate plunged 42.0 percent.

American Honda posted the fattest year-to-year percentage gain for the period — 89.9 percent — as its sales of U.S.-built cars rose to 4,202 from 2,213; its daily rate was up 68.8 percent.

DOMESTIC SALES

	Dec. 1-10, 1986	Dec. 1-10, 1985
Renault		
Alliance-Encore	965†	1,400†
AMC	145†	300†
AMERICAN MOTORS	1,110	1,700
Chrysler	5,885	5,382
Plymouth	10,275	6,194
Dodge	11,412	7,580
CHRYSLER MOTORS	27,572	19,656
Ford	40,858	26,415
Mercury	12,475	8,978
Lincoln	6,825	4,653
FORD MOTOR CO.	60,158	40,046
Buick	15,361	17,331
Cadillac	7,645	7,144
Chevrolet	35,905	35,401
Oldsmobile	18,467	19,317
Pontiac	16,742	15,880
GENERAL MOTORS	94,120	95,073
VOLKSWAGEN	1,220	1,133
HONDA	4,202	2,213
NISSAN	2,006	1,458
TOYOTA	421	0
U.S. INDUSTRY TOTAL	190,809	161,279

†—Estimate

Nissan's sales total rose 37.6 percent to 2,006 from 1,458; up 22.3 percent on a daily-rate basis.

Sales of Volkswagen of America's domestic cars rose 7.7 percent to 1,220 from 1,133 last year, although the daily rate declined 4.2 percent.

Sales of the new Toyota Corolla FX-16 totaled 421 for Dec. 1-10. The car is built by New United Motor Manufacturing Inc., the Toyota-GM joint venture in Fremont, Calif. Sales began in October; the total is 3,523.

Pontiac seeks GM aid

City eyes housing project as plants die

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

PONTIAC — The city of Pontiac has asked General Motors to participate in a multimillion-dollar housing project to help counter the effects of planned plant closings and layoffs.

A GM spokesman said the company would review the proposal at an internal public affairs committee meeting in January.

GM has been involved in housing programs before, most notably the New Center Commons project near its Detroit headquarters.

GM plans to shut its Chevrolet-Pontiac-Canada G-car plant in Pontiac by the end of 1987, its Truck and Bus Group transit bus operations in the Pontiac Central Plant by late spring of 1987, and its heavy-duty truck operations in the same plant by August 1988. GM also plans to close its Central Foundry plant in Pontiac by the summer of 1987.

Almost 6,000 employees will be affected by the permanent plant closings, according to GM spokesmen. Some affected employees may be relocated. GM will continue to employ some 32,000 workers in the city after the layoffs.

Also, some 3,200 workers at the C-P-C G-car plant and the Fiero assembly plant will be laid off for two weeks at the beginning of 1987 to reduce inventories.

The Pontiac spokesman said the layoffs and closings will cost the city $600,000 annually in city income taxes.

Pontiac Mayor Walter Moore presented the housing proposal to GM's public affairs committee here early this month. The proposal calls for up to 30 percent, or 6,000, of the city's houses to be razed and replaced with new housing. A spokesman estimated that 6,000 houses in the city are in poor condition.

The mayor said, "We see the need for the GM name to continue to be a flagship in the community even if the manufacturing segment of the company is not flourishing."

Demolished houses would be replaced by new houses in the $35,000 and $75,000-$150,000 range.

In addition, Moore said he would like to discuss with GM a means of disposing of the plants GM will close. Alternatives, he said, are identifying manufacturers to take over the plants, turning them over to the city or demolishing them.

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Ford says '87 industry can't match '86

In a year-end statement, Ford Motor Co. Chairman Donald E. Petersen and President Harold A. Poling predicted that new-car and truck sales in the United States in 1987 will continue at a strong pace, but will be off slightly from the record total of 1986.

They also said the company's strong financial performance this year means that eligible U.S. employees will get substantially higher profit-sharing payments than the $1,200 average paid for 1985.

They said Ford earnings of $2.5 billion for the first three quarters of 1986 set a record and they expected the company to finish the year in a very good financial state.

Petersen and Poling said, "This year has been very successful for the Ford team in the United States, and we believe that 1987 will be another good year for the U.S. automotive industry."

They predicted 1987 U.S. sales of 10.5 million cars and 4.5 million trucks — a total of 15 million, down a bit from the record 16 million this year and 15.7 million in 1985.

Petersen and Poling said, "Automotive sales outperformed the nation's economy in 1986 because of relatively low gasoline prices, declining interest rates and marketing incentive factors which are unlikely to have as great an impact in 1987. Moreover, we expect the Gross National Product to increase by a modest 2.3 percent in 1987, somewhat less than the GNP growth of 2.6 percent this year."

They said their 1987 sales prediction would amount to the third-highest sales volume ever. If the economy performs somewhat better than expected, they said, 1987 sales volume could approach 1985's performance.

Petersen and Poling said, "Despite increasing competition from foreign automakers, including those which are expanding their U.S.-based production capacity, we believe our excellent product lineup places Ford in a good position to more than hold its own."

They added, "With our well-balanced product array and added offerings in 1987, we expect to increase our U.S. market share — which for 1986 we project at 18 percent for cars and 28.4 percent for trucks."

For 1987, Ford has introduced a redesigned Ford Thunderbird and Mustang and Mercury Cougar and

Petersen: "Automotive sales outperformed the nation's economy in 1986 because of relatively low gasoline prices, declining interest rates and marketing incentive factors which are unlikely to have as great an impact in 1987."

rear anti-lock brakes on F-Series, Bronco and Bronco II light trucks. It soon will offer an all-wheel-drive option for Ford Tempo and Mercury Topaz.

Scheduled later in the model year are the U.S. introduction of the foreign-built Mercury Tracer subcompact, Ford Festiva minicar and Merkur Scorpio luxury sedan.

Petersen and Poling said Ford will work toward a new labor contract with the UAW in 1987 "that is fair and equitable to all members of the Ford team, while improving the competitiveness that will be essential in the years ahead. At the same time, we must continuously improve the quality, safety and value of our products and improve our customer satisfaction and loyalty."

As a reflection of Ford's new-product plans and efforts to improve quality and productivity, the executives said capital spending was about $3.7 billion in 1986 and should continue at about that same level in 1987.

Petersen and Poling said, "We believe that this system, called the Worldwide Engineering Releasing System, will be an automotive industry first in terms of size and capability. When fully launched, WERS will provide 20,000 users with interactive access to a common data base of engineering specifications and will further enhance Ford's capability to execute world-car programs."

Ford has begun several new projects with a number of worldwide partners, the Ford executives said.

Those projects include Ford's joint venture with IVECO in Europe; a project with Mazda at Hermosillo, Mexico; involvement with Kia of Korea; the worldwide Ford New Holland restructuring; and its joint venture with Volkswagen in South America.

OBITUARIES

John D. DeButts

UPPERVILLE, Va. — John D. DeButts, 71, who was a member of the General Motors board of directors from 1976 to 1985, died Dec. 17. Mr. DeButts was a former chairman and chief executive of American Telephone and Telegraph Co.

Carl Allen Reinemund

CHANDLER, Ariz. — Carl Allen Reinemund, 72, a past president of the Arizona Automobile Dealers Association and former owner of Carl Reinemund Chevrolet, Safford, Ariz., died Dec. 6.

Harold L. Prince Sr.

ABBEVILLE, S.C. — Harold L. Prince Sr., a Ford dealer here for the past 54 years, died recently. Mr. Prince had operated Prince Motor Co.

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